

Press Release

The Indel B BoD approves the consolidated half-year report as at 30 June 2022

Group's historical record with revenues of 118.3 million in the first half of 2022 (+23.4%)

- **Consolidated revenues: Euro 118.3 million, up 23.4% on the Euro 95.9 million of H1 2021;**
- **EBITDA: Euro 14.6 million, down -34.5% on the Euro 22.3 million of H1 2021, with an impact of 12.4% on turnover;**
- **Adjusted EBITDA¹: Euro 17.4 million, up 31.4% on the Euro 13.2 million of H1 2021;**
- **EBIT: Euro 10.8 million, down -44.0% on the Euro 19.4 million of H1 2021, with an impact of 9.2% on turnover;**
- **Adjusted EBIT: Euro 14 million, up 36.6% on the Euro 10.3 million of H1 2021;**
- **Net profit: Euro 6.2 million compared to the Euro 16.4 million of H1 2021, with an impact of 5.3% on turnover;**
- **Net Financial Position as at 30 June 2022 negative for Euro 35.8 million, as compared with Euro -12.8 million as at 31 December 2021 and Euro -20.9 million as at 30 June 2021.**

Sant'Agata Feltria (Rimini), 23 September 2022 – **Indel B S.p.A.** – a company listed on the Borsa Italiana EXM and parent of a group that operates in the manufacture of cooling systems for mobile and mobile living for the automotive, hospitality and leisure time (pleasure boats and recreational vehicles) markets - reports that the Board of Directors met today and approved the half-year report as at 30 June 2022.

Luca Bora – Managing Director of Indel B: *“The results for the first half 2022 represent a historical record for the Group, which achieved consolidated revenue of Euro 118.3 million, an increase of more than 23%. The results achieved are a clear sign of the Group's dynamism and the soundness of the customers and markets in which the Group operates. It is the result of the work of a perfectly attuned team. However, we cannot overlook the still complex international situation and the impact of raw material costs on the supply chain. Faced with the uncertainties of the international economic scenario and the difficulties in the various markets, the exact evolution of which is not known today, the Indel B Group will continue its work with the care and commitment that characterises it, albeit with greater challenges and difficulties, while still looking to the future with confidence.”*

¹ Total Adjusted revenues and income, EBITDA, Adjusted EBITDA, Adjusted operating profit and Adjusted profit for the year are not accounting measures under the IFRS and therefore should not be considered as substitute measures to those provided by the Company's financial statements for the purpose of assessing the Group's economic performance

Results of the first half of 2022

In H1 2022, the Indel B Group recorded sales revenues of Euro 118.3 million, 23.4% up vs H1 2021 (Euro 95.9 million).

Sales revenues by market

(in thousands of Euro)	H1 2022	%	H1 2021	%	Change	% change
Automotive	68,855	60%	54,340	58%	14,515	26.7%
Leisure	18,303	16%	16,045	17%	2,258	14.1%
Components & Spare parts	12,678	11%	14,068	15%	-1,390	-9.9%
Hospitality	8,937	8%	5,307	6%	3,630	68.4%
Cooling Appl.	6,183	5%	3,686	4%	2,497	67.7%
REVENUES FROM PRODUCT SALES	114,956	100%	93,446	100%	21,510	23.0%
Other revenues	1,848	2%	1,088	1%	760	69.9%
SALES REVENUES	116,804	99%	94,534	99%	22,270	23.6%
Other income	1,501	1%	1,346	1%	155	11.5%
TOTAL REVENUES	118,305	100%	95,880	100%	22,425	23.4%

In greater detail:

The increase in “Revenues from product sales” in first half 2022, compared to the first half 2021, was mainly attributable to the *Automotive* market and to a lesser extent to all other markets, with the exception of *Components & Spare parts*, which declined slightly.

In particular, the *Automotive* sector benefited from the positive cycle that hit the European market and recorded an increase of 26.7% showing a result of Euro 68.9 million compared to Euro 54.3 million in the same period of 2021. The market in Italy is also growing thanks to the acquisition of SEA in May 2021, which contributes around Euro 4.2 million.

Growth continues in the *Hospitality* sector, which already at the end of 2021 was showing greater responsiveness, and although it had been particularly hard hit by the effects of the pandemic, it recorded a 68.4% increase, rising from Euro 5.3 million in the first half 2021 to Euro 8.9 million in the first half 2022.

The *Cooling Appliances* market also showed a significant increase in revenue of 67.7%, from Euro 3.7 million in the first half 2021 to Euro 6.2 million in the first half 2022, mainly resulting from new orders in the Professional section.

The *Leisure* market also continued to grow, rising from Euro 16.0 million in the first half 2021 to Euro 18.3 million in the first half 2022, with an increase of 14.1% mainly attributable to the RV market, thanks to greater penetration by Autoclima group companies. The performance of the Marine market was also positive.

The only sector that recorded a decrease in the first half 2022, compared to the same period in 2021, was *Components & Spare parts*, which recorded a decrease of 9.9%, mainly due to a drop in the sale of spare parts.

Geographically, the Company's international vocation is confirmed with about 70% of the Group's “Sales revenues” realised outside Italy and about 18% outside Europe.

The most significant increase (29.5%) was recorded in Europe, consolidating the Group's position as number one market, with revenues of Euro 59.5 million (Euro 45.9 million in the first half 2021), mainly attributable to the *Automotive* market, however with growth in all markets involved, with the proportion of total revenues rising from 49.2% in the first half 2021 to 51.8% in the first half 2022.

Italy recorded a growth of 23.5% with revenues of Euro 35.2 million (Euro 28.5 million in the first half 2021),

confirming its share of total revenues (from 30.5% in the first half 2021 to 30.6% in the first half 2022). The increase was mainly due to the Group's sales in the *Automotive*, *Leisure* and *Hospitality* markets.

Growth of 5.3% was also recorded in the Americas, with revenues amounting to Euro 17.7 million compared to Euro 16.8 million in the first half 2021. However, there was a slight decrease in the proportion of total revenues from 18.0% in the first half 2021 to 15.4% in the first half 2022. In particular, the Group's sales increased in *Automotive*, while the *Leisure* market declined slightly.

Finally, in the Rest of the World, the increase was 16.5%, with revenues amounting to Euro 2.5 million compared to Euro 2.2 million in the same period of 2021, and a 2.2% incidence on total revenues for the period of 2022.

EBITDA

In the first half 2022, **EBITDA** amounted to Euro 14.6 million compared to Euro 22.3 million in the first half 2021 (-34.5%), with an incidence on Revenues of 12.4% compared to 23.3% in the six months ended 30 June 2021.

The decrease in EBITDA was influenced by a lower share of the results of equity-accounted investments, particularly following the sale of the investment in Guangdong Iceco Enterprise Co. Ltd, and the impairment of the equity investment in Elber Industria de Refrigeracao for Euro 2.6 million.

Adjusted EBITDA, net of non-recurring items, amounted to Euro 17.4 million (+31.4%), compared to Euro 13.2 million in the six months ended 30 June 2021, and accounted for 14.7% of Adjusted Total Revenues (13.9% in the first half 2021).

Operating Result - EBIT

In the period under review, an **Operating Result** of Euro 10.8 million was recorded, down -44.0% compared to Euro 19.4 million in the six months ended 30 June 2021.

Adjusted EBIT, net of non-recurring expenses, amounted to Euro 14.0 million in H1 2022, an increase of 36.6% compared to Euro 10.3 million in the first half 2021.

Group net result

The Group closed first half 2022 with a **Net result** of Euro 6.2 million, down -62.2%, compared to Euro 16.4 million as at 30 June 2021.

The **Adjusted result for the year**, net of non-recurring items, amounted to Euro 9.3 million for the six months ended 30 June 2022, up 19.7% from Euro 7.8 million for the same period of 2021.

Net Financial Position

Net Financial Position as at 30 June 2022 was negative for Euro 35.8 million, as compared with a negative result of Euro 12.8 million as at 31 December 2021 and Euro 20.9 million as at 30 June 2021. The change in the Net Financial Position is partly due to the expansion of working capital (caused by the strong increase in business, turnover and material and transport costs), the payment of a dividend to shareholders in the amount of Euro 5.7 million, as well as investments to expand production capacity.

Russian-Ukrainian War

There remains great uncertainty due to the evolution of the conflict between Russia and Ukraine, which is causing difficulties for western economies in particular, and especially Europe, with difficulties in energy supplies and costs of the same at levels that are difficult to sustain in the long run.

The Group has no direct exposure to these markets.

Business Outlook

In the first half 2022, there was an increase in turnover in all the markets where the Group operates. These improvements were in some cases very substantial, particularly in the *Hospitality* and *Cooling Appliances* markets. Increases in turnover were also excellent in the *Automotive* and *Leisure* segments. This was a positive result and an important signal for the Group, which, however, at the same time put both the production process and the entire supply chain to the test. There is still some uncertainty surrounding the development of the Covid 19 pandemic during the coming winter and the continuation of the Russian-Ukrainian conflict.

Therefore, in light of the above, we believe that the Group can continue its growth phase, considering that the current favorable conditions of the markets in which the Group operates will not be altered by more incisive and widespread undesirable effects arising from the looming critical issues of inflation, the energy crisis and the war in Ukraine.

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“The Manager appointed to prepare the company accounting documents, Mirco Manganello, declares in accordance with paragraph 2, Article 154 bis of the Consolidated Finance Act that the accounting disclosure contained in this release coincides with the results of the documents, books and accounting entries.”

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This press release is available in the Investor Relations section of the Company website www.indelbgroup.com.

In compliance with the provisions of Consob's Issuers' Regulation, please note that the half-year report as at 30 June 2022 will be made available to the public at the company offices, at Borsa Italiana S.p.A, on the website www.indelbgroup.com, within the legal terms, in the section “Investor Relations / Financial Statements and Reports” and at the storage mechanism “1Info”, available for consultation at www.1info.it.

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This press release may contain forward-looking statements about future events and results of Indel B S.p.A. that are based on current expectations, estimates and projections about the sector in which Indel B operates, events and management's current opinions. These elements inherently have a component of risk and uncertainty because they depend on the occurrence of future events and on a multitude of factors, many of which are beyond the Group's control, including global macroeconomic conditions, changes in business conditions, further deterioration of markets, the impact of competition, political, economic and regulatory developments in Italy.

CONFERENCE CALL

On Friday, 23 September 2022, at 4:00 pm CET (3:00 pm GMT) (10:00 am EST), Indel B will hold a conference call with the financial community, during which the Group's economic and financial results will be discussed.

Connect by dialing:
Italy +39 02 362130 11/ UK +44 121 2818003 / USA +1 718 7058794 - USA Green number: +1 8552656959.

Before the telephone conference, the presentation slides can be downloaded from the Investor Relations page www.indelbgroup.com.

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Indel B S.p.A. is a company listed on the MTA segment of Borsa Italiana (the Italian stock exchange) and is controlled by AMP.FIN S.r.l., in turn held entirely by the Berloni family. Indel B S.p.A. heads an important Group that operates worldwide and that has been active for the last 50 years in the mobile cooling sector applicable to the "Automotive", "Leisure time" and "Hospitality" cooling segments. The Group also operates in mobile climate control, with specific reference to the Automotive market, represented by commercial vehicles, minibuses, ambulances, agricultural and earth-moving machinery, and in the "Cooling Appliances" sector, which mainly comprises cellars for storing wine and small refrigerators for storing milk. The company has a market cap of approximately Euro 138 million.

Contact details

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Consolidated Income Statement

<i>(In thousands of Euro)</i>	30 June 2022	%	30 June 2021	%
Revenues	116,804	99%	94,534	99%
Other Revenues and income	1,501	1%	1,346	1%
Total revenues	118,305	100%	95,880	100%
Purchases and consumption of raw materials, semi-finished and finished products	(62,263)	-53%	(51,704)	-54%
Costs for services and use of third-party assets	(21,096)	-18%	(14,743)	-15%
Personnel costs	(18,273)	-15%	(17,315)	-18%
Other operating costs	(1,199)	-1%	(839)	-1%
Share of net profit of investments accounted for using the equity method	(827)	-1%	11,067	12%
Amortisation, provisions and depreciations	(3,809)	-3%	(2,996)	-3%
EBIT	10,838	9%	19,350	20%
Net financial income (expense)	(989)	-1%	(374)	0%
Income from (expense on) equity investments	-	0%	2,356	2%
Pre-tax result	9,849	8%	21,332	22%
Income taxes	(3,631)	-3%	(4,888)	-5%
Result for the financial year	6,218	5%	16,444	17%
Minority profit (loss) for the financial year	63	0%	40	0%
Group result for the financial year	6,155	5%	16,404	17%
<i>Basic and diluted earnings per share (in Euro)</i>	<i>1.09</i>		<i>2.87</i>	

Consolidated Statement of Financial Position

<i>(In thousands of Euro)</i>	30 June 2022	31 December 2021
ASSETS		
Non-current assets		
Goodwill	8,127	8,527
Other intangible assets	12,166	12,818
Tangible assets	38,906	38,170
Right of use	3,721	3,765
Equity investments measured using the equity method	13,151	13,710
Other investments	66	66
Non-current financial assets	13	13
Other receivables and non-current assets	401	7,464
Deferred tax assets	1,035	1,001
Total non-current assets	77,586	85,534
Current assets		
Inventories	70,383	57,066
Trade receivables	53,520	36,863
Cash and cash equivalents	19,059	24,187
Income tax receivables	218	88
Current financial assets	-	-
Derivative financial instruments	-	-
Other receivables and current assets	15,611	7,714
Available-for-sale assets	-	-
Total current assets	158,791	125,918
TOTAL ASSETS	236,377	211,452
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Share capital	5,842	5,842
Reserves	104,212	83,423
Result for the financial year	6,155	24,247
Total shareholders' equity	116,209	113,512
Net minority interest		
Minority interests in capital share and reserves	257	78
Minority interests result for the financial year	63	91
Total net equity of minority interests	320	169
Non-current liabilities		
Provisions for risks and charges	2,285	1,909
Employee benefits	1,454	1,749
Non-current financial liabilities	31,795	19,559
Deferred tax liabilities	3,913	4,058
Other non-current liabilities	141	141
Total non-current liabilities	39,588	27,416
Current liabilities		
Trade payables	43,546	39,313
Income tax payables	3,947	4,277
Current financial liabilities	23,067	17,378
Derivative financial instruments	-	-
Other current liabilities	9,700	9,387
Total current liabilities	80,260	70,355
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	236,377	211,452

Consolidated Statement of Changes in Equity

<i>(In thousands of Euro)</i>	Share capital	Reserves	Result for the financial year	Equity attributable to owners of the parent	Net minority interest	Total shareholders' equity
As at 1 January 2021	5,842	80,643	6,188	92,673	64	92,737
Allocation of the result of the previous year		6,188	(6,188)	-		-
Transactions with shareholders:						
Distribution of dividends		(2,971)		(2,971)		(2,971)
Share capital increase	-	-		-		-
Purchase of treasury shares		(194)		(194)		(194)
Total transactions with shareholders	-	(3,165)	-	(3,165)	-	(3,165)
Comprehensive income for the year:						
Result for the financial year			16,404	16,404	40	16,444
Actuarial gains/(losses) on employee benefits and provisions for supplementary customer indemnity, after the tax effect		41		41		41
Difference from translation due to valuation of equity investments		985		985	4	989
Total comprehensive result of the year	-	1,026	16,404	17,430	44	17,474
Balance as at 30 June 2021	5,842	84,692	16,404	106,938	108	107,046

<i>(In thousands of Euro)</i>	Share capital	Reserves	Result for the financial year	Equity attributable to owners of the parent	Net minority interest	Total shareholders' equity
Balance as at 01/01/2022	5,842	83,423	24,247	113,512	169	113,681
Allocation of the result of the previous year		24,247	(24,247)	-		-
Transactions with shareholders:						
Distribution of dividends		(5,658)		(5,658)		(5,658)
Share capital increase	-	-		-		-
Purchase of treasury shares		(567)		(567)		(567)
Change in scope of consolidation/minorities' conversion reserve		-		-	-	-
Total transactions with shareholders	-	(6,225)	-	(6,225)	-	(6,225)
Comprehensive income for the year:						
Result for the financial year			6,155	6,155	63	6,218
Actuarial gains/(losses) on employee benefits and provisions for supplementary customer indemnity, after the tax effect		207		207		207
Difference from translation due to valuation of equity investments		2,560		2,560	88	2,648
Total comprehensive result of the year	-	2,767	6,155	8,922	151	9,073
Balance as at 30/06/2022	5,842	104,212	6,155	116,209	320	116,529

Consolidated Statement of Cash Flows

<i>(In thousands of Euro)</i>	30 June 2022	30 June 2021
OPERATIONS		
Pre-tax result	9,849	21,332
<i>Adjustments for:</i>		
Depreciation/amortisation of tangible and intangible assets	2,884	2,670
Provisions for doubtful debt	183	325
Provisions for risks and charges	441	112
Provisions for obsolete warehouse	397	64
Share of net profit of investments accounted for using the equity method	827	(11,068)
Net financial income / (expenses)	989	374
Income from equity investments	-	(2,356)
Net exchange differences	(227)	76
Other non-monetary components	400	-
Cash flow from operations before changes in working capital	15,743	11,529
Cash flow generated/(absorbed) by changes in working capital:	(28,164)	(15,473)
- Trade receivables and other assets	(15,976)	(13,771)
- Inventories	(13,714)	(11,437)
- Trade payables and other liabilities	1,346	9,735
Tax paid	(1,114)	(374)
Net financial expenses paid	(180)	(165)
Use of provisions	(115)	(276)
Net exchanges differences realized	290	(113)
Cash flow generated/(absorbed) by operations (A)	(13,540)	(4,872)
INVESTMENTS		
Net investments in tangible and intangible assets	(2,596)	(2,006)
Cash flows for the year from acquisitions of subsidiaries	-	(4,991)
Dividends collected	-	119
Cash flow generated/(absorbed) by investments (B)	(2,596)	(6,878)
FINANCING		
Stipulation of mortgages and loans	29,500	482
Repayment of mortgages and loans	(14,227)	(7,248)
Dividends paid	(5,658)	(2,971)
Purchase of treasury shares	(567)	(194)
Other changes in financial assets and liabilities	1,925	738
Cash flow generated/(absorbed) by financing (C)	10,973	(9,193)
Increase/(decrease) in cash (A)+(B)+(C)	(5,163)	(20,943)
Cash and cash equivalents at FY open	24,187	43,094
Net effect of the conversion of cash and cash equivalents carried in foreign currencies	35	75
Cash and cash equivalents at FY close	19,059	22,226



The Group uses some alternative performance indicators that are not identified as accounting measures under the scope of the IFRSs to allow for a better assessment of Group performance. Therefore, the determination criterion applied by the Group may not be the same as the criterion adopted by other groups and the balance obtained may not be comparable with the result obtained by them. These alternative performance indicators, determined in compliance with the provisions of the Guidelines to alternative performance indicators issued by ESMA/2015/1415 and adopted by CONSOB by communication no. 92543 of 3 December 2015 only refer to the performance of the accounting period concerned by this press release and the periods provided by way of comparison.

The Group uses the following alternative performance indicators to assess economic performance: EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted EBIT, Adjusted period result.

Starting 1 January 2019, IFRS 16 is applied, which requires companies to book the right of use of leased assets and the related liability corresponding to the obligation to make lease payments. These assets and liabilities deriving from the lease contracts are valued at current value. The effects of the new standard on the income statement are immaterial.